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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 003656

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STATE FOR NEA/ELA, ISN/RA, ISN/NESS  
ENERGY FOR ED MCGINNIS AND MAUREEN CLAPPER

E.O. 12958: DECL: 08/30/2017

TAGS: [ENRG](#) [PGOV](#) [EPET](#) [JO](#)

SUBJECT: JORDAN WELCOMES MOU ON NUCLEAR ENERGY AND PROPOSES  
SIGNING AT GNEP

REF: A. STATE 119740

[1](#)B. AMMAN 3557

[1](#)C. STATE 114102

Classified By: Ambassador David Hale for Reasons 1.4 (b) and (d)

[1](#)1. (U) This is an Action Request. See para 4.

[1](#)2. (SBU) Summary: Minister of Higher Education and Scientific Research Dr. Khaled Touqan will represent the Government of Jordan (GOJ) at the September 16 Global Nuclear Energy Partnership (GNEP) Ministerial, and has proposed signing the Memorandum of Understanding (MOU) on Nuclear Energy with Secretary Bodman on September 16 or 17 in Vienna.

Jordan would also like to begin as soon as possible negotiations on a nuclear energy cooperation agreement with the United States in order to allow competitive bidding for private sector assistance, particularly in uranium identification in the short-term. The GOJ has already initiated negotiations on similar agreements with Canada, Russia, the EU, and France. According to Touqan, main areas for potential USG assistance include mining, water desalination and power generation. End Summary.

Minister Touqan to Attend GNEP  
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[1](#)3. (SBU) During an August 28 meeting with Econoffs, Minister of Higher Education and Scientific Research Khaled Touqan, also head of the GOJ's Nuclear Energy Committee, confirmed that he will attend the September 16 GNEP Ministerial in Vienna and sign the Statement of Principles on behalf of the Jordanian government, per Ref C. Touqan will arrive in Vienna on September 15 and will stay until September 18 in order to give a presentation on "Nuclear Energy in the Middle East" at the International Atomic Energy Agency's (IAEA) Scientific Forum 2007. He thought that Jordan's Ambassador in Vienna or Dr. Ziad Kodah, Director General of the Atomic Energy Commission, would represent Jordan at IAEA's General Conference.

Memorandum of Understanding  
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[1](#)4. (SBU) Touqan welcomed the draft MOU on Nuclear Energy and Other Energy Fields (Ref A), also delivered via diplomatic note to the Foreign Ministry (MFA) on August 28. Touqan indicated that the GOJ would review and submit the document

for Cabinet approval at its next meeting, currently scheduled for September 4. At first glance, Touqan did not see any issues of concern, but noted that the MFA would need to review the clause on United Nations Security Council Resolution 1540. NOTE: MFA Legal Advisor Mahmoud Hmoud told Econoff separately August 29 that the GOJ may request the clause to be broader to reflect a commitment to the resolution in its totality rather than to only one of its obligations. END NOTE. Touqan also commented that it seemed more appropriate to have a government-to-government document that perhaps could be signed by Secretary Bodman on behalf of the U.S. government and Minister Touqan on behalf of the GOJ on the margins of the GNEP Ministerial, either on September 16 or 17. ACTION REQUEST: Post requests that the Department of Energy confirm whether Secretary Bodman's schedule would permit the MOU signing to take place on either of those dates in Vienna, assuming MOU negotiations have concluded by that time.

#### Need for an Energy Mix

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15. (C) Speaking about his vision for the nuclear energy program in Jordan, Touqan stressed that an energy mix needed to be introduced in order for Jordan to graduate from its dependency on imported oil, and to secure Jordan from energy shocks, particularly rising oil prices. According to Touqan, when the price of crude oil was \$60/barrel, the GOJ budgeted a 90 million JD (\$127 million) surplus from profits from unsubsidized gasoline sales, but with oil prices hitting \$70/barrel, the government has had to pay approximately 150 million JD (\$212 million) in subsidies. He speculated that the government would lift fuel subsidies completely in

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January 2008 in order to relieve the budgetary burden (Ref B). Although the press continues to report on imminent imports of oil from Iraq, Touqan said that the GOJ could not count on that source, and the GOJ is walking away in the media from earlier claims that the Iraqi imports would soon arrive. NOTE: Jordan and Iraq signed an agreement on Iraqi oil exports to Jordan at a special set price in 2006, but the agreement has not yet been implemented due to technical and security problems in Iraq. END NOTE. Underscoring the need for an energy mix, Touqan envisioned nuclear energy providing 30 percent of Jordan's energy needs by 2030, complemented by other forms of energy such as renewables, oil shale, and gas.

#### Pursuing Various Nuclear Energy Cooperation Agreements

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16. (C) Although Touqan acknowledged that a reactor would not be in place to generate electrical power before 2015, he hoped that mining for uranium would start right away, and said that the Washington International Group has expressed interest in assisting with uranium identification. In order to start this process, he highlighted the need for a nuclear energy cooperation agreement (NCA) with the United States, as well as several other countries, to provide the framework for international competitive bidding. He added that the GOJ has already approached France, Canada, Russia, and the EU to initiate NCAs. He believed negotiations with those countries that are keen on selling their technology, particularly Canada, would move more quickly than with the United States. Touqan alluded to the attractiveness of Russian and Canadian water reactors that use natural uranium fuel as way to move away from enrichment.

17. (C) With regards to an agreement with the U.S., he expected to see pressure on the U.S. Congress by pro-Israel lobbyists, oil companies, and those who do not believe in importing nuclear technology into the "unstable" Middle East. Touqan thought that Israel would also oppose Jordan's acquisition of a nuclear reactor from a Western country, including the United States. COMMENT: The Israeli Ambassador

here told Ambassador on August 27 that the GOI was not going to block Jordan's nuclear power ambitions, but did have concerns about the possibility a reactor would be located in the lower Jordan Valley, an earthquake zone. END COMMENT. Tougan also opined that eventually the proposed Middle East Nuclear Free Zone would again come into play, even though such an initiative focused on nuclear weapons rather than peaceful civilian nuclear energy.

#### Potential Areas of USG Assistance

18. (U) Tougan believes that Jordan can build human capacity for a nuclear program upon a strong base of electrical, chemical, and nuclear scientists. He identified three main areas for potential USG assistance: 1) mining, 2) water desalination, and 3) power generation. Tougan confirmed that the GOJ would send someone to the October 1-5 IAEA technical meeting on uranium mining in Namibia. He also welcomed the suggestion that some sort of collaboration or exchanges might be possible through the Colorado National Guard State Partnership Program, and noted that the Colorado School of Mines might be a potential partner. In general, the Minister is open to building relationships and exploring partnerships with various institutions involved in nuclear energy, including universities, research labs, governments, and companies.

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